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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
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To District Agents and Others Who are to Assist  
with Landlord-Tenant Problem:

You have been called upon to assist the Agricultural Adjustment Administration with a difficult problem which will require patience, fairness and good judgment on your part. This problem has to do with a large number of complaints and reports with reference to the relationship between landowners or landlords and tenants in connection with the cotton adjustment program.

In this work it is important that you keep clearly in mind the purposes of the Agricultural Adjustment Act, the broad policies involved in the Agricultural Adjustment programs and the necessary safeguards and precautions which must be observed in dealing with a problem of this nature.

The Agricultural Adjustment Act is titled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power". The purpose of the Act is clearly stated in the following quotations from the Act:

Declaration of Emergency

That the present acute economic emergency being in part the consequence of a severe and increasing disparity between the prices of agricultural and other commodities, which disparity has largely destroyed the purchasing power of farmers for industrial products, has broken down the orderly exchange of commodities, and has seriously impaired the agricultural assets supporting the national credit structure, it is hereby declared that these conditions in the basic industry of agriculture have affected transactions in agricultural commodities with a national public interest, have burdened and obstructed the normal currents of commerce in such commodities, and render imperative the immediate enactment of title I of this act.

Declaration of Policy

Sec. 2. It is hereby declared to be the policy of Congress -

(1) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a

purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco shall be the prewar period, August 1909-July 1914. In the case of tobacco, the base period shall be the postwar period, August 1919-July 1929.

(2) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets.

(3) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909-July 1914.

You will note that in the act the term "farmer" is used repeatedly which means that it is the purpose of the act that the benefits of the act and of the programs formulated and carried out under the act should be extended primarily to those people who are actually engaged in farming. Obviously, it is the purpose that these benefits be extended to the various classes of tenant farmers in fair and equitable proportion. The Agricultural Adjustment Act is an emergency act designed for the purpose of dealing with the acute emergency situation which exists with agriculture. To undertake to tie up the solution to a deep-seated social problem with the Agricultural Adjustment programs would probably make it impossible to carry out these emergency programs successfully. Regrettable and undesirable as some of the conditions are, it is not possible or advisable to undertake a definite and complete solution of these underlying economic and social problems as a part of an emergency program designed to relieve the existing economic emergency.

In line with these ideas it is not the purpose of the Agricultural Adjustment Administration to undertake to dictate the usual and normal relationships and tenure arrangements between landowners or landlords and their tenants. These are matters which are governed by established practice and by state law. However, the Agricultural Adjustment Administration has a definite obligation to so administer this emergency act and to so direct the programs formulated under the provisions of the act that the benefits of the act and of these programs shall be extended to those who are actually engaged in the production and marketing of farm commodities in fair and equitable proportion. The cotton adjustment contract and the regulations with reference to this contract have been formulated on a basis which is considered fair and equitable to landowners and to tenants and the Agricultural Adjustment Administration has a very definite obligation to see that share-croppers, share-tenants, managing share-tenants and cash tenants shall actually receive the portion of rental and parity payments specified in the contract and that in no case shall the purposes of the Agricultural Adjustment Act be defeated by permitting anyone to take from or withhold from such tenants the benefits to which



these tenants are entitled, or to use any other device as a means of securing for themselves a larger share of these benefits than specified in the contract or in administrative rulings and regulations. The Agricultural Adjustment Administration is obligated to see to it that these programs do not operate to the disadvantage of tenant farmers.

It is recognized that landowners, landlords and tenants as a whole have cooperated unselfishly in connection with the cotton adjustment program and that county agents and county committeemen have been fair and conscientious in their efforts to carry out the program in a fair and effective manner. A considerable number of complaints and reports have been received which indicate that, in a comparatively small percentage of cases, persons have adopted one means or another in an effort to take unfair advantage in violation of the letter or the spirit of these programs. The number of such complaints and reports is sufficiently great to make it necessary that prompt and definite action be taken toward investigating such complaints and making such corrections as may be necessary and possible.

As a whole, these complaints have reference to the following points:

1. Displacement of tenants by landlords in violation of the contract.

It has been reported that in certain cases large planters or operators are keeping a smaller number of tenants than heretofore, have displaced large families and replaced them with small families, have displaced share-tenants and replaced them with share-croppers, have refused to permit displaced tenants without cotton acreage allotments to remain in the houses rent-free and to use a portion of the rented acres in the production of food and feed for home consumption and have, by other means, deprived tenants of a means of livelihood in violation of the terms of the contract.

2. Changes in tenure status. It is claimed that in some cases large planters or operators have shifted from cash or managing share-tenant basis to the share-cropper basis or have adopted a system of operating the land with hired labor, giving to each laborer a share of the crop as compensation.

3. Withholding benefit payments. It is reported that in certain cases planters, operators, landowners or landlords have inserted special clauses in rental contracts or lease forms or have adopted supplemental (written or verbal) special agreements by which their tenants surrender claim to any portion of rental and parity payments and agree to accept smaller acreages of cotton to be grown than heretofore and by which tenants surrender claim to use of the rented acres. It is reported that in a considerable number of cases tenants have been required to enter into verbal agreements of the same sort and that in some cases tenants have been instructed by their landowners or landlords that they may either accept these terms or move from the farm and that in certain cases such tenants have been warned against reporting such matters to the county committee or county agent or the Agricultural Adjustment Administration under the threat of being displaced if they should do so.

Certain instances have been reported of landowners or landlords who propose to re-rent the rented acres to the tenant on the farm for a specified cash rental rate or for a share of the food and feed crops to be grown by such tenants for home consumption. All of these are obviously in violation of the contract and the regulations.

4. Managing share-tenants. It has been reported that in a considerable number of cases share-tenants who seem to qualify under the provisions of the contract as managing share-tenants have been denied the right to sign contracts as managing share-tenants. It has been reported that in certain counties only a small percentage of share-tenants have been permitted to qualify and sign contracts as managing share-tenants while in nearby counties a majority of share-tenants have been permitted to qualify and sign contracts as managing share-tenants.

One of the problems with which you will have to deal is that of the interpretation which has been placed upon the term "managing share-tenant". It is reported that there is considerable variation in the interpretation which has been placed upon this term in different counties and upon different farms. It is recognized that you will not be able to deal with this question intelligently and effectively unless you have a more definite interpretation of the term "managing share-tenant" than has heretofore been available. For that reason the following interpretation of the term will be used by you as a general guide.

The term "managing share-tenant", as used in the 1934 and 1935 Cotton Acreage Reduction Contract, and in the Administrative Rulings and Instructions relating thereto, shall mean a share tenant who:

(a) occupies and operates a definite and distinct tract of land or operating farm unit, which is possible of description as required in the contract, which has its own cropping system, and which is operated independently of any other tract, regardless of whether it is a part of a larger piece of property or comprises an entire holding in and of itself, and

(b) performs or directs all labor incident to production and harvesting of crops on the tract of land described in clause (a) above, without direct supervision by the owner, being accountable to the owner only for rentals and for the general welfare and condition of the farm property according to an initial agreement or understanding; provided, however, that designation at the beginning of the year or at seasonal intervals of the acreages of crops to be grown, instructions as to time and place of ginning and marketing cotton, by the owner or landlord, or an agent of the owner, or landlord, and occasional visits to the farm by the owner, or landlord, or an agent of the owner or landlord, to talk with the tenant about said matters shall not within themselves constitute "direct supervision" within the meaning of those words as used in this clause.

5. Increase in rental rates. It has been reported that in certain cases landowners or operators are requiring a larger share of the crop than has heretofore been customary as a means of securing for themselves in



an indirect way a larger portion of the rental and parity payments to be made under the provisions of the cotton adjustment program. Obviously, such procedure violates the spirit of the Agricultural Adjustment Act. Complaints have been made with reference to certain other practices or devices which have been adopted by one person or another in an effort to take unfair advantage under the cotton adjustment program.

It is recognized that many of such reports or complaints are probably without foundation, but the number of complaints is sufficiently great and of such a serious nature as to require that they be investigated and definite action taken to protect the rights and interests of tenant farmers as far as possible.

It is recognized that these problems must be dealt with in such a way as not to unduly disturb the cotton adjustment program and in such a way as not to arouse additional controversy and ill feeling between landowners and tenants. The work to be done must be carried on in close cooperation with those who have had charge of the cotton adjustment program in the states and counties and particularly in close cooperation with the county cotton adjustment committees in the various counties. Those who have directed these activities have had a very difficult task to perform and the completion of these programs depends very largely upon their continued leadership. The work which you are to do in investigating and adjusting difficulties must be done in such a way as not to reflect unfavorably upon the work which has already been done by these local leaders, but is intended to safeguard and protect them in the work which they must do and to aid them in dealing with the difficult problems which arise. Nothing must be done which might cause them to feel that their actions are being questioned and nothing must happen which might create an impression that the committeemen and others have not been fair and just. Also, the impression must not be created that there has been widespread effort to "chisel", cheat, or be unfair. Landlords as a whole have shown a desire and a willingness to be entirely fair and unselfish in connection with the cotton adjustment program. Some are reported to have voluntarily granted to their tenants a larger share of rental and parity payments than specified in the contract. It is not fair to the great majority who have been conscientious and unselfish in these matters that a small minority should be permitted to cast a cloud upon the whole program and bring criticism upon the South and upon the Agricultural Adjustment Administration by adopting unfair practices in connection with this program. The work which you are to do is as much for the protection of committeemen, county agents, landowners and others who have been unselfish and conscious in these matters as it is for the protection of tenants or of the Agricultural Adjustment Administration.

**Procedure:** Following the conference in Washington at which the problem will be discussed and the plans and procedure outlined, you will be detailed by J. Phil Campbell to visit certain counties where the problem is reported to be most acute and as you complete your work in one county you will be detailed to other counties from day-to-day or from week-to-week.

Upon reporting for work in a state you will first confer with the state director of extension and others in charge of the cotton adjustment program and discuss with them the purposes of the work and the procedure to be followed. It is important that the work in any state be carried on with their full understanding and approval, and it is important that you maintain close contact with them and keep them fully informed of the progress of your work and that you take full advantage of their counsel and cooperation. It will be very helpful if the director of extension or someone representing him will go with you and assist you in developing the procedure.

In going into a county to which you have been assigned, you will take with you all available information with reference to the problems which exist in that county. You will go into the county without public announcement and will first go over the whole problem with the county agent and the county committee. It is advisable that you permit them to read this outline of procedure in order that they may understand fully the purposes of your work and the procedure to be followed. The county agent and the county committee will have valuable first-hand information concerning the circumstances in each case where dissatisfaction or difficulty is reported to exist and can give you valuable assistance in arriving at the facts.

After you have gone over the matter fully with the county agent and the county committee, you will determine the cases to be investigated and the procedure to be followed. You are authorized to call in landowners, landlords, tenants or others, or to call upon them in person and confer with them with reference to the circumstances in each particular case. In most cases it will be preferable to have one or more members of the county committee present at these conferences. You will find it advisable in most cases to call the landowner and tenant together and discuss the matter with them with the view of conciliating and adjusting differences between them upon a basis which will be mutually fair and equitable. It is advisable to hold these conferences in closed session and you should avoid holding hearings or conferences before public assemblages where general controversy might arise. It will obviously be inadvisable to make any statements to the public press and you will recognize the need for doing your work in such manner as will avoid the possibility of arousing public controversy or agitation and ill feeling. The whole procedure must be carried out with the idea of conciliating and adjusting differences which exist and of correcting injustices or violations which have occurred.

Where you find that wilful violations have occurred or such procedure has been followed as to result in an injustice to anyone or where a tenant farmer or anyone else has been denied the rights, privileges and benefits to which he is justly entitled under the provisions of the contract and the regulations, you are authorized to take such action as you may determine to be best, in cooperation with the county committee and the county agent, in adjusting the difficulty or correcting the violation. In case of a



violation or injustice, you are authorized to inform the violator that his contract is not acceptable under existing conditions and arrangements, that if he will make the adjustments and corrections which you indicate and the county committee will certify that such corrections have been made, you will recommend acceptance of the contract, by the Secretary or you may authorize the submission of substitute contract or contracts and inform the parties concerned that such substitute contract or contracts will be recommended for acceptance in lieu of the original contract. If you find in any case that the tenants of a planter or operator actually qualify as "Managing share tenants and have been denied the right to sign as managing share tenants, you may instruct the planter or operator that his contract is not acceptable and that such tenants should be permitted to sign contracts as "Managing share tenants" and that you will recommend the acceptance of such contracts in lieu of the contract which has been submitted by such planter or operator covering all the farms occupied and operated by such tenants. In cases where it is found that a planter or operator has displaced tenants in violation of the contract and the regulations, you are authorized to inform such planter or operator that acceptance of his contract will not be recommended unless correction is made and that if such corrections are made without delay and the county committee will certify that such corrections have been made and the contract complied with in full, acceptance of the contract will be recommended. The same procedure will be followed in connection with other complaints, difficulties and violations and the whole procedure shall be conducted with the view of correcting violations and difficulties and removing causes of complaint and misunderstanding with the least possible delay.

You are authorized to employ the necessary competent clerical and stenographic help and you will make a complete record of all testimony and other information with reference to each case investigated and will prepare a complete record of your findings, of the action taken in each case and the recommendations made by you with reference to each case. All of such record will be filed by you as a part of your report and your recommendations with reference to each case and shall become a part of the permanent record of the Agricultural Adjustment Administration.

You will recognize that for various reasons many tenant farmers will probably hesitate to present their cases for consideration. This makes it necessary that such procedure be followed by you as will enable such tenants to make contact with you and present their cases and their points of view without the fear of intimidation or retaliation. It may be that in certain cases it will be best to confer with such tenants on their own farms or in private conference without the presence of the landlord, the county agent, the county committee, or anyone else.

In each case which is brought to your attention, it is essential that a written statement of facts and claims presented by each person be prepared and signed by the person making the statement or complaint and it is essential that you communicate with all persons concerned in order that each case may be considered in the light of all the existing facts and circumstances. You will recognize that to require radical changes in procedure and interpretations at this late date might seriously interfere with the progress of the cotton adjustment program, might make the work of county committeemen and state review boards much more difficult and might delay acceptance of contracts from counties and states and otherwise seriously disturb the progress of the program.

This, of course, should not occur and whatever action may be taken must be taken in full recognition of the fact that the program is well underway and must be carried to completion with the least possible delay.

Obviously, it will not be advisable to undertake to readjust all contracts in which this question is involved because to do so would require that much of the work of county committees and state review boards to be done over, new contracts would have to be submitted in many cases, readjustments in county totals and in individual contracts would be seriously affected and the entire program would be delayed.

In cases where it is found that share tenants qualify unquestionably as managing share-tenants but have not been granted the privilege of signing contracts as managing share-tenants, you will probably be able to adjust the matter by working out supplementary agreements between the parties concerned without recalling the contract which has been signed by the landlord or you may be able to have contracts signed by such managing share-tenants and to prorate to the tenants on the plantation or farm the acreage and allotment which have been approved by the county committee in the original contract and to substitute such contracts for the original contract. In this way a change of contract and of procedure will not interfere with the figures which have already been included in the county totals. These are problems which you will obviously need to work out in very close cooperation with the county committee and with the parties concerned. It will not be wise to arbitrarily require changes in a large number of such contracts and it will be necessary to use diplomacy and good judgment in whatever action you may take in connection with this particular phase of the problem.

Obviously, you will not give time and consideration to problems which are definitely outside the scope of this work. Your work will have to do only with landlord-tenant relationships in connection with the 1934-35 cotton adjustment contract. You will not give consideration to problems which involve the long-time relationships between landlords and tenants, systems of credit, rates of interest charged, prices charged for supplies or "furnish", or to rates of rental charged by landowners or landlords except as these may have been changed as a means of securing a larger share of the rental and parity payments than specified in the contract and in administrative rulings.

At the close of each week you will make a written report to Mr. J. Phil Campbell of the work which you have done during the week, the cases considered, the adjustments made, the action taken in each case, and the recommendations made by you. As each case is considered and decision reached, you will file with the county committee in the respective county a written report of the evidence and the findings and you will transmit such report to the Agricultural Adjustment Administration through Mr. J. Phil Campbell.

As has already been suggested, it is very important that these problems be dealt with in such manner as not to unduly disturb the progress of the cotton adjustment program or disturb the relationships between landowners and their tenants. Good judgment and diplomacy will be necessary on your part and you must keep in mind that the purpose of your work is to adjust, conciliate and arbitrate controversies and difficulties which may exist and to to whatever you can in each case to see that the purposes of the Agricultural

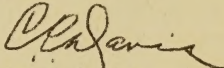


Adjustment Program do not miscarry in any case and that the benefits which are intended for tenant farmers in connection with this program shall actually go to such tenants as far as possible.

It should be kept clearly in mind that this procedure is not designed solely for dealing with problems which have arisen in connection with the Cotton Adjustment program, nor is it the purpose to limit such procedure just to the Southern States. If the need arises, the same procedure will be followed in dealing with similar problems with reference to other commodity programs and in other regions. If you find that similar problems exist in connection with other Agricultural Adjustment Programs in the States and counties visited you will investigate the facts and report to Mr. Campbell and at the same time you will recommend the action which you believe should be taken.

We have confidence that you will be able to render very helpful service to the Agricultural Adjustment Administration in connection with this problem and that the work which you do will serve to strengthen and protect the Agricultural Adjustment Program.

Sincerely yours,

  
Administrator.

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